DOCUMENT RESUME

ED 328 675 CE 056 631

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TITLE The Rusty Bucket. Community Economic Development that Makes Sense.
PUB DATE 3 Nov 88
NOTE 25p.; Paper presented at the Annual Meeting of the American Association for Adult and Continuing Education (Tulsa, OK, November 3, 1988).
PUB TYPE Speeches/Conference Papers (150) -- Information Analyses (070)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Adult Education; Clearinghouses; *College Programs; *College Role; *Community Development; *Community Education; Community Resources; *Economic Development; Educational Responsibility; Extension Education; Higher Education; Workshops
IDENTIFIERS Missouri

ABSTRACT

A dynamic community economic development and education process has emerged in Missouri. This effort is bringing about changed awareness and attitudes as well as developing skills and community self-help actions as a result of collaboration between communities, Extension specialists, and the University of Missouri-Columbia. One of the institutions growing out of the need of Missouri communities for assistance is the Clearinghouse for Community Economic Development, initiated in mid-1985 at the university. The primary mission of the clearinghouse is to empower community members to make informed decisions and to shape the future actively for themselves. Community economic development is an education and action process that involves many people thinking through the future of their community, seeing that the changing world is providing new opportunities for innovation and revitalization, and then working together to make their dreams a reality. The process enables people to believe that it is possible to create jobs or income using local resources through actually seeing others' success. The clearinghouse uses "Rusty Bucket Workshops" to introduce a method of analyzing a local economy for opportunities. Then the participants brainstorm projects which could lead to important substitution, value addition, or resource enhancement. One means of developing a deeper understanding of the workings of the local economy is by using the Economic Base Study, a computer model developed at the University of Missouri which gives a profile of a county's economy that allows for comparison with all of Missouri's counties plus any other state counties which border on Missouri. Finally, another important tool developed by the clearinghouse, the Tool Kit for Economic Development, helps participants share information and sparks creativity. Adult educators and Extension leaders can play a leadership role in fostering community economic development. (KC)

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THE RUSTY BUCKET

COMMUNITY ECONOMIC DEVELOPMENT THAT MAKES $ENSE

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University of Missouri-Columbia

American Association for Adult and Continuing Education

November 3, 1988
Tulsa, Oklahoma

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The Rusty Bucket: Community Economic Development That Makes $ense

Throughout the country, a movement is underway to foster the renewal and revitalization of communities--both urban neighborhoods and rural communities. Regardless of the community you or I might visit -- whether we stop at the local cafe, a PTA meeting, a church gathering, the Chamber of Commerce breakfast, the YMCA board meeting, the city council, a housing complex, or the meeting of a citizen's group -- common concerns emerge from local residents. People are concerned about the abandoned buildings downtown, the availability of jobs, the provision of adequate services, the future for their kids. In short, people want to build a future for their community that insures a quality of life and the environment and a sense of control over what will happen within their community. Today I want to share with you the dynamic community economic development and education process that has emerged in Missouri. This effort is bringing about changed awareness and attitudes and developing skills and community self-help actions as a result of collaboration between communities, University Extension specialists, and the University of Missouri-Columbia.

This presentation will focus on the conceptual underpinnings of our work to help communities help themselves, the essential elements and the tools we in University Extension are using to implement this process of community economic development and education at the local level, the successes communities are experiencing, and the implications of this type of programming.

Background

By the mid 1980's, Missouri's rural communities and local economies, like many others in the country, were rusting and eroding. The decay was signalled by the departure of factories, loss of federal government support to local government, the failure of the farm economy, and the boarding up of Main Street. For most of these

communities, the traditional strategies of economic development have little hope for bringing about revitalization, and a more comprehensive community economic development focus was clearly needed. As Heffernan and Heffernan (1986) pointed out, rural communities generally lack educational services to help them keep pace with rapid societal changes and to adapt and cope with their current economic crisis.

Out of this set of circumstances--the eminent need of Missouri communities for assistance to survive and cope with the rural crisis-- the Clearinghouse for Community Economic Development was initiated in mid-1985 at the University of Missouri-Columbia. Its development was funded as part of a larger interdisciplinary effort by the University, University Extension, and Lincoln University to provide seed money for innovative projects which would help rural Missouri identify opportunities and develop new sources of income.

Underlying the 1985 proposal to establish the Clearinghouse was the work of several economists and groundbreaking work by several institutions in response to the broader changing world. Economists Robert Reich (1985) and Jeff Faux (1986) have pointed to the changing global economy where the U.S. is no longer #1 in agricultural production, industrial production, and finance. They argue the importance of changing and adapting our economic system to cope with the global economic shifts at the community level. Neil Seldman and David Morris (Leuci, 1987) of the Institute for Local Self-Reliance were successfully breaking ground with the concept of developing local self-reliance in urban communities such as St. Paul, Minnesota. The Rocky Mountain Institute, founded in the early 1980's, was making significant strides towards developing least cost alternatives to energy and a wholistic approach to community economic development (Leuci, 1987).

Purpose, Goals, and Key Definitions

The primary mission of the Clearinghouse for Community Economic Development is

to empower the community (a body of learners) to make informed decisions and to shape actively the future for themselves as individuals and for the community. This is consistent with Roberts' (1982) contention that community development assumes humans have this capacity to learn and to shape actively their future.

It follows then that community economic development is the process of a community building its local economy as a necessary component of the broader effort to build a strong community. The typical approach to economic development, according to Roberts (1982) is based in the western industrial paradigm and is characterized by the "preconception of the solution before the problem has been properly identified." Whereas, "the educational model of development sees the solution (which may in the end be economic) as emerging from the process of learning outlined in the model." (see Figure 1) (Roberts 1982)

Hobbs (1987) also substantiated the approach to sustainable economic development through a well organized community development emphasis as the most likely to succeed: "Economic development without community development may be a part of the problem.... it increases dependency without increasing capacity, resilience, adaptiveness. So, there is a clear and strong need to link community development with local and regional economic development. There is a strong logic to suggest that community development precedes economic development because economic development can be one of the consequences of effective community development."

The Community Economic Development Process

Community economic development is an education and action process that involves lots of people in the community thinking through the future of their community, seeing that the changing world is providing new opportunities for innovation and revitalization, and then working together to make their dreams a reality. It has occurred successfully in a number of communities. But how does it happen?

First, all of us have a set of rules about the world and the way it ought to operate. Joel Barker (1987) calls this our world paradigm. To begin to act differently and discover new opportunities, people have to see themselves, their communities, and their world differently. The table below is an overview of the process and tools we have used working in Missouri communities.

OVERVIEW OF COMMUNITY ECONOMIC DEVELOPMENT

People have to see that the POSSIBILITY exists to successfully create jobs or income using local resources, i.e. see that someone else has done it.

JOBS THAT NEED TO BE DONE	WHAT TO DO
People start to believe that they can create economic activity.	Meet with individuals telling them examples of successes of local people creating economic development.
People understand how local resources can be used to create economic activity.	Hold a "Rusty Bucket" meeting.
People understand what resources they have to do economic development.	Do an Economic Base Study. Use "Tool Kit."*

Establishing **PROBABILITY** helps people see THEMSELVES creating jobs and income for their communities.

JOBS THAT NEED TO BE DONE	WHAT TO DO
People revise the images they have of the future of their community.	Hold meeting to establish new images for the future.

Then, a **PROGRAM** can be developed.

JOBS THAT NEED TO BE DONE	WHAT TO DO
People divide into working groups and set short term goals.	Establish working groups based on positive images.
People are recognized for their accomplishments.	Establish organization to coordinate and recognize efforts.

Possibility

People have to see that the POSSIBILITY exists to successfully create jobs or income using local resources, i.e. see that someone else has done it. They have to believe IT CAN BE DONE.

Most people in a community have a model for development that does not include the possibility of people working together to create economic development. Americans have been taught that the economic state of their community depends on outside forces and that any help must come from the outside. People can "unlearn" this belief when shown examples of people just like them in other communities who have filled up the buildings on main street, who have started small factories or who have attracted visitors to their communities.

Communities start believing in the possibility to successfully revitalize when they hear about others who have done the same. For example, in the past three years: Hamilton, Missouri (population 1,800) has opened more that 20 new businesses; Jamesport (population 680) has opened 25; Plattsburg (population 2095) has added 43 businesses; and Coffey (population 169) has added two new firms, one of which employs 14 people. In the past year alone, several Green City (population 719) residents have opened a customized, flexible manufacturing firm that now employs 30 people.

When people hear about others' successes, they want to know how it happened. Consequently helping people to understand how local resources can be used to create economic activity is an important aspect of developing possibility. We use the Rusty Bucket Workshop to introduce a method of analyzing a local economy for opportunities. I'm not going to describe the workshop but give you a first hand taste of a bit of it. Let me preface it by explaining that we introduce it with a small group exercise that helps people understand that economic development is not a "fixing the potholes" approach nor is it an end in and of itself but a means toward

reaching the aspirations that they might have about their community. We simply ask the groups to describe the three characteristics of a of their community in the year 2010 as a result of a successful community economic development effort. Then some time is spent explaining the industrial paradigm and its assumptions that no longer fit our society and environment and the economic transition in which we are currently engaged.

As we look to the future for communities, I would suggest the following four points are key to what can be done in communities.

1. During periods of transition, new possibilities and opportunities become possible for those with the ability and gumption to learn and think in new ways and to put their ideas into action.
2. Our future is going to be strongly determined by the extent to which we realize that we must all assume responsibility. Ben Franklin summed this up well: "We must hang together or surely we will all hang separately."
3. A lack of federal economic development policy creates opportunities for policy development and action for states and local communities, counties, and neighborhoods.
4. We cannot afford the luxury of tackling just one problem at a time. We must increasingly connect the short-term and long-term solutions.

Keeping these points in mind, let's look at our communities. Imagine a bucket as the community: water that pours into the top forms the community's economic base--manufacturing, mining, agricultural production, transfer and government payments. A tremendous amount of water flows into every community, even the poorest and smallest in this country. The water once in the bucket splashes around and creates other secondary jobs in the community.

Yet with all of the water that pours into the top of a community's bucket, the

bucket does not "runneth over." Why? Because the bucket's got holes in it. In every community, money flows out for food, energy, housing, public goods and services, recreation, raw materials for industry, financial services, etc. In other words, every community is providing jobs for a lot of people, but often the jobs are located somewhere else.

The goal of economic development is to increase the amount of water in the bucket. This can be done two ways. First, we can pour more water in the top. We call these the external strategies. They include attraction of manufacturing, commercial/retail expansion, attraction of home office or government offices, attraction of tourists. There is nothing wrong with these strategies, but they don't work for many communities and the competition between communities is tremendous. The number of communities competing for new/transferring plants far outweighs the number of plants to be moved or opened each year. This is not to mention what communities often give away in order to gain jobs--jobs that may not pay much above minimum wage.

There are other options for increasing the amount of water that remains in the bucket. These options, the internal strategies are ones that make good common sense, yet they are often overlooked as valid ways to do economic development.

We can increase the amount of water in our bucket by beginning to plug some of the leaks by import substitution. That is produce something locally and competitively that has formerly been imported into the community. Nearly every community in the Midwest spends 80% of its energy dollars outside the community. If in a community of 1000 people, the per capita expenditure for energy were $5,000 (including industrial expenditures, $1,000-$2,000 if only residential), that would amount to $5,000,000 per year. If 80% goes outside the community to other states, to the Middle East, etc., then that community is losing $4,000,000 per year. A conservation effort which reduced energy consumption by 5% would retain $200,000 or

ten decent paying jobs in the community. Consider also the possibility of substituting locally grown produce or meat, (We spend approximately $1,000 per capita per year on food as an average) to name just a few other options. (Brown, 1988)

We can also generate more water in the bucket by adding value to products that are already produced in the community. Additional processing adds value and brings more money into the community when the product leaves for its market. Most dependent economies export raw products and import finished products for a significant higher price. Roughly 90% of the value of a pound of beef purchased in the local grocery store has been added since that calf was sold as a feeder calf at 400-600# from a Missouri farm.

Finally, we can increase the efficiency by which we use our local resources and/or we can begin to use resources which we have previously overlooked as a means for creating economic activity. Resources are as broad and diverse as you wish to think, including human, organizational/social, physical, natural, financial, even waste products. How often communities overlook the tremendous resources that exist in youth, retired persons who have a variety of skills, waste products that could become the raw product for a new process. Enhancements can occur when education, human genius, or experience are harnessed.*

The Rusty Bucket Workshop helps residents to visualize their economy as a leaking bucket - losing dollars that could be utilized to create jobs. From this point, participants develop a working database of their local economy, listing products that are imported, products that are produced, and resources that exist. Then they brainstorm projects which could lead to import substitution, value addition, or resource enhancement.

The workshop is a tool to help open the local economy to new possibilities. It works best when people have the opportunity to commit themselves to further

exploration of possibilities. One means for developing a deeper understanding of the workings of the local economy is by using the Economic Base Study developed at the University of Missouri.

The Economic Base Study is a computer model which gives a profile of a county's economy using income and employment data gathered by the Bureau of Economic Analysis. The profile allows for comparison with the average of all of Missouri's counties plus any other state's counties which border Missouri. Extension staff help local residents interpret the data and interpret the results which would occur from changing the local economic structure (the economic multiplier) such as adding new retirement income. (See Figure 2: Economic Base Study of Iron, County) The Economic Base Study has been invaluable in understanding the trends in an area and determining the actual sources of income for a community.

The usefulness of the Economic Base Study lies in what the community does with the information that is revealed. Often a Missouri community which views itself as agricultural finds that nearly half of its income is retirement income or income from interest and dividends drawn mostly by retirees. After learning this fact, one northern Missouri community shop owner changed his inventory and marketing efforts to those who were most likely to shop in his town--those 50+year-olds. The same community captured additional opportunities by opening a laundry mat.

Another important tool for helping people conceptualize opportunities and resources available to them is the Tool Kit for Community Economic Development. I want to spend a little bit of time elaborating on the Tool Kit because it was one of the foundational pieces of the Clearinghouse when established and because it has proven to be an innovative way of sharing information and sparking creativity.

The Tool Kit is an educational multimedia package that contains a video tape, a computerized listing of case examples and resources, and a semiannual tabloid. The video tape which introduces the Rusty Bucket imagery and details the strategies I

talked about earlier. The tabloid provides a forum for discussion of community economic development strategies, community successes, policy-making, etc.

At the heart of the kit lies the computerized "Catalog of Ideas," a semiannually updated compendium of more than 130 case examples from across the nation--a variety of businesses and community projects , public and private, which have been started by local people. (See Appendix A for several examples.) In addition to the examples, the catalog includes a listing of organizations, publications, audiovisual, conferences, internships, and computerized resources for community economic development. (See Appendix B for several examples.)

What makes the Catalog unique is that the user (the learner) decides what material is relevant and chooses to view or print only that material. Provision of material in this manner is more cost-efficient, more current (often printed materials are out-of-date by the time they roll off the press.), and easier to locate specific information than if printed. The user can create his/her own tailor made handouts and bibliographies. The Catalog can be used with individuals or with groups. And, one part-time person maintains and updates the databases every six months.

Probability

Once people realize that the possibility exists for local people to determine the destiny of their community, the next step is to establish the **PROBABILITY** that they themselves can create jobs and income for their communities.

We are what we believe we are and our communities will become what we believe about their future. The images that many people have for rural communities are often very negative. These negative pictures have been induced by popular wisdom that says there is no hope for rural communities or by the depressing experiences that can be generated today in rural America or in city neighborhoods. These images

can often be changed as people begin to believe in themselves.

Roberts (1982) notes the power to create community by developing ways to revive a community's memory or to create a new memory. An imaging session with community members includes looking at images of the past, the present and the future. Developing a set of positive images for the future is the focal point of the session. Nominal group process has often been used as a means to generate a set of images for a community.

The positive images developed for the future of the community can be grouped and used to establish working or task groups. For example; one of the images could be the vision as a prosperous downtown area. People interested in working to make that image a reality could form a Downtown Revitalization Task Force. As they are led to further develop the details of that image and to test it within the broader community, subgroups can be formed to deal with specific sectors, i.e. business retention, business development, or perhaps building renovation. Facilitation and training varies from one task force to the next and from one community to the next.

Program

A dynamic community economic development program can be and has been built on the images that a community develops. Coordination of the efforts of the task forces and recognition of people for their contributions becomes essential. This is the job of an organizational structure. After people have started working together they will need some structure. That coordinating structure has evolved from an original group which met to begin the process. In some communities, a pre-existing organization has taken on this role or an all but dead organization has been revived to assume this responsibility. The organization can keep track of what has happened and will provide recognition for all of those involved.

Who gets involved in this process? Whomever wants to. Usually, those who will

come to meetings are not the only ones interested in the community. They may or may not be a part of the formal or informal community leadership. Waiting for a sizeable number of the community to show up at a number of meetings be they general meetings or task force meetings can be one of the pitfalls. Where this model has been used, 10-20 people are involved in getting the work done for every one that generally shows up at a meeting. A lot of people are action-oriented, ready and willing, but not necessarily meeting-goers. Also some form of communication--newsletters, newspaper, community center, etc. among community members has kept people informed.*

The community economic development process as I have shared it here is a working model to use with communities. It is a process model which results from collaboration between the Clearinghouse, a campus-based Extension operation, and Extension specialists based in communities. I would like to turn briefly now to the Clearinghouse and the support functions which it serves.

The Function of the Clearinghouse

The Clearinghouse develops resource materials for use by Extension staff in Missouri (and Extension and others in other states). By the very nature of developing and maintaining the Tool Kit for distribution to each of the Extension offices in Missouri, the Clearinghouse networks with numerous national organizations and has become both a national and local a referral point for information. A resource center has been established along side the Tool Kit for use by Missourians, especially community groups and Extension staff. Collaboration with the business and industry specialists and the Small Business Development Center has led to the current development of a computer data base of small business resources specific to the state and each county.

The Clearinghouse also supports Extension specialists located throughout the

state with program development assistance and workshop capability. The community economic development process is being tested further and expanded in several parts of the state through a USDA 1440 grant for distressed rural areas. The Clearinghouse along with the Department of Community Development is publishing the information that is developing through practice, the first being the "Small Town Survival Manual."

In essence, the Clearinghouse is documenting what is happening, providing resource materials, and is involved in establishing/reformulating a new model for community economic development.

Results and Implications

The results of our efforts can be measured in a number of ways--the amount of national publicity, the sale and use of the Tool Kit in 32 other states and five other countries, the diversity of requests that come into the Clearinghouse, the increasing demand in Missouri and elsewhere for workshops, etc. Ultimately, however, the results are best measured with what is happening at the community level. That is not an easy measurement to take because communities freely decide what they will undertake and when. We do know that communities are organizing, are thinking differently about themselves, and are changing as a result of learning experiences and technical assistance to carry out plans. A study done by the Heartland Center in Nebraska (1987) supports our finding that successful community economic development depends on:

* a belief that it can be done and you can do it (possibility and probability);
* creative application of information about yourself as community;
* the commitment to do something about your future and good old hard work (practice, projects, programming).

The communities I mentioned earlier--Hamilton, Plattsburg, Jamesport, Green

City--and others where new jobs have been created are some measure of success. Success is measured in other ways, too. For example, community pride and spirit. Another is the other spinoffs which occur. For example, the members of the community organization Hamilton Second Century have formed themselves into a consulting company to help other communities discover their potential and organize to make their vision come true.

Several implications have emerged from our experiences. I would like to focus on those that I think are important to adult education.
Communities can do for themselves but they need access to information and resources for help. In many cases, I think we need to think differently about our role as educators and administrators. I would suggest that the one community economic development role for adult educators--be they university, colleges, community colleges, extension, religious institutions, community agencies--is to work together to foster community economic development by and for the people who live and work and make up the fabric of the community.

Are we collaborators, networkers, information brokers, facilitators, change agents? Are we empowering people both the learners and those within our own organization? Collaboration is a must both within and among education agencies and with government, communities, businesses, etc. Not only will communities not survive if members do not work together, the educational institutions that service communities become irrelevant to the community if the institution does not cooperate and work to meet the needs of the community. Reaching people with the information and making it applicable to them and to their immediate situation has been the hallmark of the Extension Service at Land Grant Universities. Heffernan and Heffernan (1986) pointed out that people in rural communities generally lack educational services to help them keep pace with rapid societal changes and to adapt and cope with crises. Will Extension make the transition? Will it step forward with

communities? and bring along the rural areas as well as urban areas and neighborhoods?

Along this same line, several other basic questions arise. Are our programs consistent with the fact that communities can help themselves? Or do we assume that we, the educated, have the answers, the prescriptions? Participatory learning advocated by Botkin etal (1979) in times of transition would suggest that we involve communities in establishing the learning process. We would not prescriptive solutions but offer people the opportunity to learn, take risks and create their own solutions. At the same time, the provision of learning opportunities based on anticipated needs versus felt needs (Wade 1987) becomes a priority if educational opportunities are to be relevant to the making the transition that communities currently face.

Finally, freedom and support must be given by agencies for development and delivery of innovative programs and for testing of new models and the kinds of learning that Wade, Botkin etal, and Roberts have indicated to be essential to the future.

We are at a crossroads where the University and Extension and the community meet. To be at the crossroads generally means we've not only just begun the journey, but rather that a crucial decision must be made about the next phase and perhaps final destination of the journey. The crossroads are often meeting places not only of several paths but of those using the paths--travelers who may have begun their journey from different points but are seeking the same destination. The crossroads are a point of intersection, a point of connection, a point of decision, a landmark from which to move forward. In Missouri, the University, Extension, and communities have met at the crossroads. We like others have to decide whether to travel together towards the creation of a brighter future--one in which we envision healthy, economically viable, and self-reliant communities of all sizes dotting the map. Isn't it time we are about the business of showing each other how we can do it

and working together to make our visions possible?

* For more information on the strategies or community organizing, see The Small Town Survival Manual by Jack McCall (1988).

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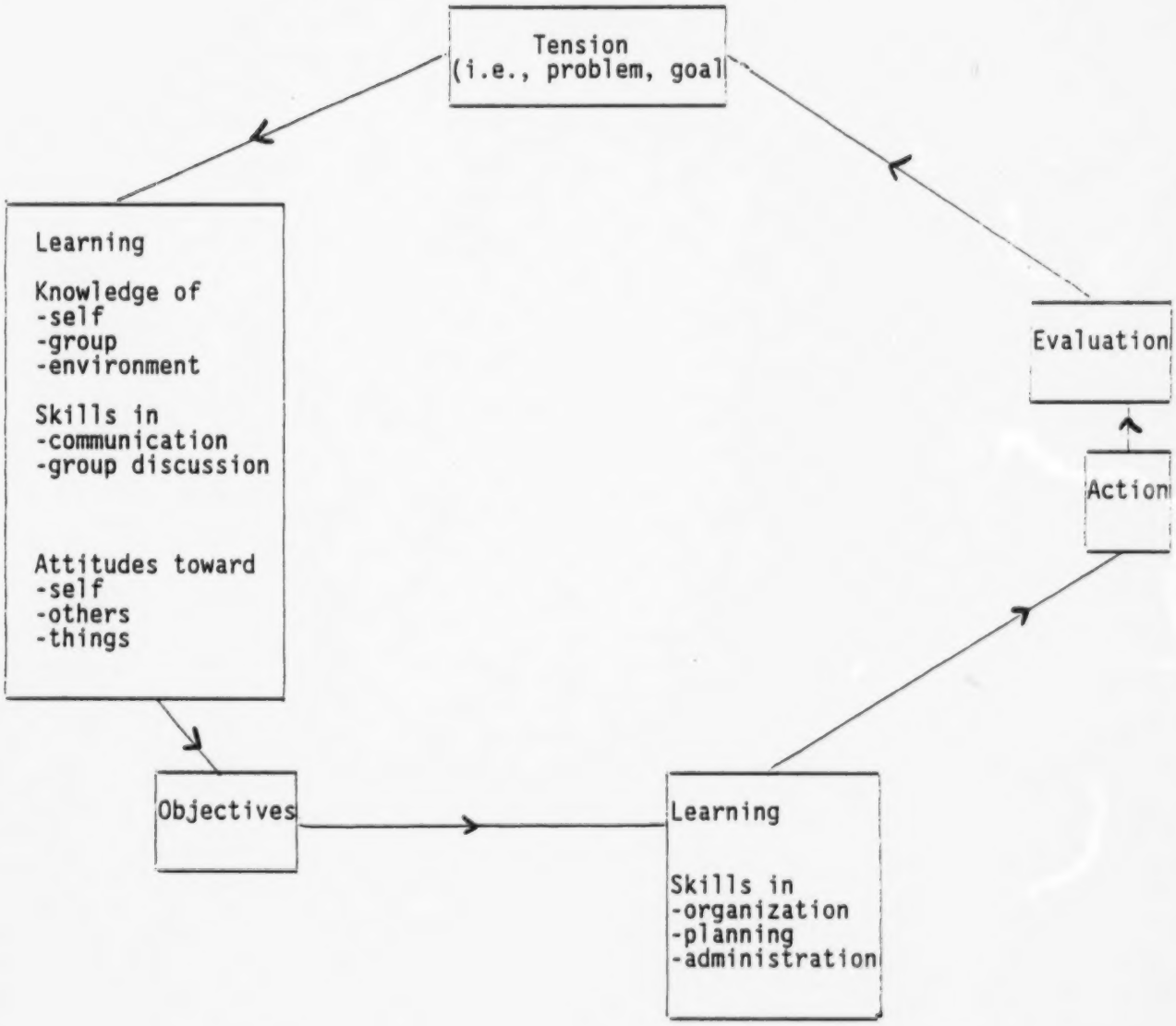

Figure 1: MODEL OF THE COMMUNITY DEVELOPMENT PROCESS (ROBERTS, 1982)

THE COMMUNITY ECONOMIC BASE: INCOME MODEL — UNIVERSITY EXTENSION -- COMMUNITY DEVELOPMENT — Figure 2

TABLE A: ECONOMIC BASE USING INCOME DATA -- IRON COUNTY

INDUSTRIAL CLASS.	COUNTY INCOME	GROUP AVERAGE	EXPECTED INCOME	BASIC INCOME	% BASIC INCOME	IMPORTED SERVICE INCOME
TOTALLY BASIC INDUSTRIES:						
1. Agriculture	3216	8.8	0	3216	8.09%	0
2. Mining	94	2.0	0	94	0.24%	0
3. Manufacturing	1155	18.5	0	1155	2.90%	0
4. Federal Gov't.	1079	1.6	0	1079	2.71%	0
5. Transfer Payments	22336	15.8	0	22336	56.16%	0
MIXED INDUSTRIES:						
6. Construction	1838	4.3	3246	0	0.00%	1408
7. Trans. & Utilities	5913	4.9	3699	2214	5.57%	0
8. Trades	5689	11.0	8304	0	0.00%	2615
9. Fin. & Serv.	8375	10.5	7927	448	1.13%	0
10. St. & Lcl Gov't.	6303	9.0	6794	0	0.00%	491
11. Div. Int. & Rent	19496	13.6	10267	9229	23.21%	0
TOTAL COUNTY INCOME =====>	75494	Ttl. BASIC INCOME ===		39771	100.00%	4514

TABLE B: ECONOMIC BASE MULTIPLIERS (IMPACT OF INCOME CHANGES)

INDUSTRIAL CLASS.	TYPE: (Enter 1 if mixed) (OR 2 IF KNOWN TO BE BASIC)	NEW INDUSTRY INCOME	IMPORT SUBSTIT.	NET BASIC EARNINGS	ADDITIONAL EARNINGS	DISTRIBUTION OF EARNINGS	TOTAL EARNINGS
TOTALLY BASIC INDUSTRIES:							
1. Agriculture		100	--	100	77	--	100
2. Mining		100	--	100	51	--	100
3. Manufacturing		100	--	100	62	--	100
4. Federal Gov't		100	--	100	40	--	100
5. Transfer Payments		100	--	100	147	--	100
SUBTOTALS BASIC:		500	--	500	377	--	500
MIXED INDUSTRIES							
6. Construction	1	0	1408	0	0	31	31
7. Trans. & Util.	1	0	0	0	0	35	35
8. Trades	1	0	2615	0	0	78	78
9. Finance & Services	1	0	0	0	0	74	74
10. State & Loc. Gov't	1	0	491	0	0	64	64
11. Div. Int. & Rent	1	0	0	0	0	96	96
SUBTOTALS MIXED:		0		0	0	377	377
T O T A L S =======>		21 500		500	377		877

Catalog of Ideas (vers.3.1)
Tool Kit for Community Economic Development

OREGON MARKETPLACE - CONNECTING PRODUCERS AND SUPPLIERS

SUMMARY: The Oregon Marketplace Program, formerly known as "Buy Oregon" was begun in Eugene, Oregon (pop. 108,624) to connect businesses with local suppliers of the goods and services that they were purchasing out-of-state or out-of-county. Program staff contact businesses to determine what goods and services they will be purchasing in the next year. Then a "search announcement' is circulated among potential suppliers of this good or service, using an extensive information network that reaches across the state. The Marketplace administers 12 regional division offices serving 36 Oregon counties.

STRATEGY ILLUSTRATED: Import Substitution

COMMUNITY TARGET SECTOR: Local Production

TACTICS USED:

A. HOW WAS THE OPPORTUNITY IDENTIFIED?
The Organization for Economic Initiatives, Inc. of Eugene, Oregon administers the program based upon a 1981 study of Lane County businesses. The study indicated that obtaining market information is often a major constraint to business start-up and expansion.

B. ACTION STEPS --

STEP 1: Funding for Buy Oregon, which began in January 1983, first came from public funds and private grants. The U.S. National Bank's Oregon Economic Action Council (OEAC) provided seed money through their "Are You With Us" campaign. Additional funding was provided by the city of Eugene the city and the Lane County Private Industry Council.

STEP 2: Since October 1984, a 5% fee has been charged to suppliers on their first annual contracts.

STEP 3: An Economic Development Administration grant provided funds for setting up the program in three other Oregon counties and in Duluth, MN.

STEP 4: Legislation was enacted in 1985 to implement a statewide network based on the Lane County program. The network is called the Oregon Marketplace. Twelve local Marketplace programs are involved in the network.

OUTCOME: Oregon Marketplace has succeeded in the development of local suppliers for formerly imported production inputs. During its first year of operation as Buy Oregon, over $2,000,000 were generated in new local contracts and cost savings to businesses, over $1,500,000 in capital investments, and created nearly 100 local jobs.

Presently, there are marketplace programs operating in NY, WA,

MN, NE, and Canada, all modeled after the Oregon Network. Legislation is pending to form statewide networks in CA, WA, and MN.

SOURCE: Oregon Marketplace brochure

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APPENDIX B

SAMPLE OF RESOURCE ORGANIZATIONAL LISTING

RURAL ORGANIZATIONS

REGIONAL CENTERS FOR RURAL DEVELOPMENT

NORTH CENTRAL REGIONAL CENTER FOR RURAL DEVELOPMENT
216 East Hall
Iowa State University
Ames, IA 50011
(515) 294-8322

CONTACT PERSON: Peter F. Korsching, Director

SERVICES: Encourages and conducts research and educational programs for improvement of the social and economic well being of non-metropolitan communities in the North Central Region

INFORMATION AVAILABLE: Quarterly newsletter and publications list available upon request

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RURAL DEVELOPMENT--OTHER ORGANIZATIONS

NATIONAL TRUST FOR HISTORIC PRESERVATION
1785 Massachusetts Ave NW
Washington, DC 20036
(202) 673-4000

CONTACT PERSON: J. Jackson Walter, President
Catharine Gilliam, Program Director
Preservation Services (202) 673-4296
Marilyn Fedelchak, Rural Field
Representative (202) 673-4045

SERVICES: Assists rural groups through already existing programs and special research to preserve and develop appreciation of rural historic resources and sites; operates loan and small grant programs; sponsors conferences, workshops, etc.; maintains historic properties; develops and tests new approaches to preservation; operates library

INFORMATION AVAILABLE: Preservation News (monthly); Preservation Forum (quarterly journal); Historic Preservation (bimonthly magazine); Preservation Law Reporter (quarterly); Tools for Main Street (brochure detailing books, manuals, and audiovisuals available); books and periodicals.

MISCELLANEOUS: Founded 1949; members 200,000; 7 regional offices; annual conference: 1988--Oct. 18-23, Cincinnati, OH